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**OFFICE OF GOVERNOR RONNIE MUSGROVE**  
**INTEROFFICE MEMORANDUM**

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**TO:** GOVERNOR  
**FROM:** BOYD  
**SUBJECT:** EDNET LICENSES UPDATE—NO ACTION REQ., YET  
**DATE:** NOVEMBER 6, 2001  
**CC:** RENICK

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The Mississippi EdNet Institute is close to entering arbitration with WorldCom due to a disagreement about the contract for services. (EdNet is composed of representatives from IHL, SBCJC, SDE, Governor's Office, Attorney General's Office, and classroom teacher.) As you will recall, WorldCom purchased Wireless One Communications who had purchased Truvision, Inc.—the original contractor with EdNet. It is the position of the EdNet Board that WorldCom has not fulfilled the terms of the agreement, specifically regarding the installation of active receive sites at public schools since 1998.

WorldCom's deployment of its MMDS wireless network has changed the scope of WorldCom's business plan involving EdNet. WorldCom has notified EdNet that it will not enter into negotiations for a new contract. The EdNet Board anticipated this action. The board is in the process of issuing an RFP for services. WorldCom has offered to settle this dispute for approximately \$2 million, and the Board countered with \$25 million.

The ITFS licenses under the management of EdNet are currently used for one-way video broadcast. They are currently deployed as a wireless cable service. The FCC has expanded the use of these licenses for two-way digital broadband, upon receipt of application. The RFP proposed would require the new vendor to make application on behalf of EdNet.

The EdNet Board recently hired BIA Financial, Inc. to assess the value of the licenses so that the Board would have a grounded perspective for the system assets. According to the BIA report, the excess capacity of the system is valued at \$10.1 million as of October 15, 2001.